

IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF CALIFORNIA

REALTEK SEMICONDUCTOR  
CORPORATION,

Plaintiff,

v.

MARVELL SEMICONDUCTOR, INC.,

Defendant.

No. C-04-4265 MMC

**ORDER GRANTING MARVELL'S  
MOTION FOR ATTORNEYS' FEES AND  
COSTS PURSUANT TO 35 U.S.C. § 285;  
VACATING HEARING**

(Docket No. 65)

Before the Court is the motion for attorneys' fees and costs, filed August 26, 2005 by defendant Marvell Semiconductor, Inc. ("Marvell"), in which Marvell argues it is entitled to an award of fees and costs because plaintiff Realtek Semiconductor Corporation ("Realtek") knew or should have known Realtek could not prevail in the instant action at the time the complaint was filed. Realtek has filed opposition to the motion, to which Marvell has replied. Having read and considered the papers filed in support of and in opposition to the motion, the Court finds the motion appropriate for determination without oral argument, see Civil L.R. 7-1(b), and hereby VACATES the November 4, 2005 hearing. For the reasons set forth below, the Court will GRANT the motion for attorneys' fees and costs.

**BACKGROUND**

On October 7, 2004, Realtek filed the instant action, alleging Marvell infringes U.S.

1 Patent No. 6,433,608 (“the ‘608 patent”) by “making, using, selling, offering for sale,  
2 importing and inducing others to use and sell gigabit Ethernet network controller chip  
3 products, including but not limited to Marvell’s 88E8000, 88E8003, 88E8052, 88E1000,  
4 88E1000S, and 88E1111 series products, and other products with similar functionality[.]”  
5 (See Compl. ¶ 9.)

6 On February 25, 2005, Marvell served interrogatories on Realtek, in which Marvell  
7 asked Realtek, in Interrogatories Nos. 1 and 2, to describe any patent infringement analysis  
8 of any Marvell product done at Realtek’s request and to identify all documents on which  
9 Realtek relied to support its patent infringement claim. (See Compton Decl. Ex. A at 3-4;  
10 see also Second Barkan Decl. ¶ 2.) In responses dated March 28, 2005, Realtek stated it  
11 had acquired information relating to technical analysis of Marvell products from Chipworks,  
12 Inc. (“Chipworks”), and that Realtek had produced the entire Chipworks report to Marvell.  
13 (See Compton Decl. Ex. A at 4.) The Chipworks report, titled “Marvell 88E1000-RJJ  
14 GigabitEthernet Tranceiver Partial Circuit Analysis,” is dated May 31, 2001, and states it  
15 was prepared exclusively for the use of Realtek. (See Menard Decl. Ex. F at RTL 000203-  
16 204.)

17 In Interrogatory No. 16, Marvell asked Realtek to describe the circumstances under  
18 which it first learned Marvell was infringing the ‘608 patent. (See Compton Decl. Ex. A at  
19 13.) Realtek responded that it “first acquired detailed information regarding the accused  
20 88E1000 product from the Chipworks report that Realtek received in December 2001.”  
21 (See id.)

22 In Interrogatories Nos. 3 and 4, Marvell asked Realtek to identify the dates of  
23 conception and reduction to practice for each asserted claim of the ‘608 patent, to describe  
24 the activities showing diligence from conception to reduction to practice, and to describe in  
25 detail the facts and circumstances surrounding the invention of the subject matter  
26 described in the ‘608 patent. (See Compton Decl. Ex. A at 5.) Realtek did not respond in a  
27 substantive manner to Interrogatory No. 3, stating only that it would provide relevant

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1 documents from which responsive information could be obtained.<sup>1</sup> (See id.) In a letter to  
2 Realtek dated April 27, 2005, Marvell stated it believed Realtek's responses to  
3 Interrogatories Nos. 3 and 4 were inadequate, and that Marvell was entitled to know  
4 whether Realtek intended to assert a conception date prior to the filing date of the  
5 application for the '608 patent. (See Compton Decl. Ex. F at 1-2.) On June 16, 2005, after  
6 the parties met and conferred about their discovery disputes, Realtek agreed that, no later  
7 than June 23, 2005, it would either provide detailed substantive responses to  
8 Interrogatories Nos. 3 and 4 or, in the alternative, stipulate that "all the inventive activity for  
9 the '608 patent took place in Taiwan."<sup>2</sup> (See Compton Decl. Ex. K at 1-2.) Realtek  
10 provided neither the promised information nor stipulation by June 23, 2005, and on June  
11 29, 2005, Magistrate Judge Spero ordered Realtek to either sign, within 24 hours, a  
12 stipulation that all inventive activity of the '608 patent occurred only in Taiwan, or to  
13 provide, within 48 hours, full and complete responses to Interrogatories Nos. 3 and 4. (See  
14 Compton Decl. Ex. L.) On June 30, 2005, Realtek signed a stipulation stating that "all  
15 inventive activity for the '608 patent, including all activity related to conception and practice,  
16 took place in Taiwan." (See Compton Decl. Ex. M.)

17 One week later, on July 7, 2005, Marvell served Realtek with notice of its intention to  
18 file a motion for terminating sanctions, pursuant to Rule 11 of the Federal Rules of Civil  
19 Procedure, on the ground that Realtek filed its complaint against Marvell when it "either  
20 knew or should have known that its lawsuit is legally barred because the very product it  
21 accuses of infringement is prior art to Realtek's '608 patent." (See Compton Decl. Ex. CC.)  
22 Specifically, Marvell stated that the Chipworks report, which was in Realtek's possession  
23 before it filed the instant action, showed the 88E1000 chip "was being actively  
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25 <sup>1</sup> It is unclear whether Realtek's full response to Interrogatory No. 4 has been  
26 provided to the Court.

27 <sup>2</sup> In Marvell's Preliminary Invalidity Contentions, served April 28, 2005, Marvell  
28 asserted that if the invention described in the '608 patent was invented in Taiwan, the '608  
patent was not entitled to an invention date prior to its filing date, pursuant to 35 U.S.C.  
§ 104. (See id. Ex. N at 3-4.)

1 manufactured and sold before any priority date or invention date to which the '608 patent  
2 could be entitled.”<sup>3</sup> (See id.) Realtek did not immediately respond to the Rule 11 motion.  
3 (See Compton Decl. Ex. Q.)

4 On July 15, 2005, Marvell filed a motion for summary judgment of invalidity of the  
5 '608 patent. In its motion, Marvell argued that the '608 patent was invalid, pursuant to 35  
6 U.S.C. § 102(a) and (g), because Marvell's 88E1000 chip was both used by others and  
7 invented in the United States prior to Realtek's earliest possible invention date. (See  
8 Motion for Summary Judgment of Invalidity of U.S. Patent No. 6,433,608 Pursuant to 35  
9 U.S.C. §§ 102(a) and 102(g) (“Summary Judgment Motion”), filed July 15, 2005, at 1.) In  
10 its motion for summary judgment, Marvell contended that because all the inventive activity  
11 for the '608 patent took place in Taiwan, a country that was not a member of the World  
12 Trade Organization (“WTO”) or a signatory to the North American Free Trade Agreement  
13 (“NAFTA”) at the time the patent was filed, Realtek's earliest possible invention date,  
14 pursuant to 35 U.S.C. § 104, was January 2, 2001, the date the application for the '608  
15 patent was filed.<sup>4</sup> Marvell submitted evidence that its 88E1000 product was made and sold  
16 during 2000, prior to the filing date of the application for the '608 patent. (See, e.g., Quan  
17 Decl., filed July 15, 2005, ¶ 6.)

18 Upon receipt of Marvell's motion for summary judgment, Realtek, by letter dated July  
19 15, 2005, requested that Marvell “immediately provide all relevant documents and promptly  
20 schedule [the] necessary depositions.” (See Compton Decl. Ex. P.)

21 On July 29, 2005, Realtek filed a response to Marvell's motion for summary  
22 judgment, in which it notified the Court that Realtek believed the motion was moot because  
23 it had provided Marvell, on July 28, 2005, with a covenant not to sue Marvell for  
24 infringement of the '608 patent and had asked Marvell to stipulate to dismissal of the action.

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26 <sup>3</sup> In Marvell's Preliminary Invalidity Contentions, Marvell states that all of the accused  
27 Marvell products are similarly situated, (see Compton Decl. Ex. N at 2-4); Realtek does not  
argue to the contrary.

28 <sup>4</sup> It is undisputed that the application for the '608 patent was filed on January 2,  
2001. (See Compl. Ex. A.)

1 (See Realtek's Opposition to Motion for Summary Judgment as Moot, filed July 29, 2005,  
2 at 1 and Ex. A.) Thereafter, the Court dismissed the action as moot.

3 On August 26, 2005, Marvell filed the instant motion for attorneys' fees and costs  
4 pursuant to 35 U.S.C. § 285.

### 5 **LEGAL STANDARD**

6 In patent actions, "[t]he court in exceptional cases may award reasonable attorney  
7 fees to the prevailing party." See 35 U.S.C. § 285.

8 "A case may be deemed exceptional when there has been some material  
9 inappropriate conduct related to the matter in litigation, such as willful infringement, fraud or  
10 inequitable conduct in procuring the patent, misconduct during litigation, vexatious or  
11 unjustified litigation, conduct that violates Fed. R. Civ. P. 11, or like infractions." See  
12 Brooks Furniture Mfg., Inc., v. Dutailier Int'l, Inc., 393 F.3d 1378, 1381 (Fed. Cir. 2005).

13 "Absent misconduct in conduct of the litigation or in securing the patent, sanctions may be  
14 imposed against the patentee only if both (1) the litigation is brought in subjective bad faith,  
15 and (2) the litigation is objectively baseless." Id. A party seeking an award of fees under  
16 § 285 must establish the predicate conduct by clear and convincing evidence. See  
17 Beckman Instruments, Inc. v. LKB Produkter AB, 892 F.2d 1547, 1551 (Fed. Cir. 1989).

18 Even if the case is determined to be exceptional, the decision whether or not to  
19 award attorneys' fees is within the Court's discretion. See Brooks, 393 F.3d at 1382.  
20 Examples of factors that may be considered in determining whether to award attorneys'  
21 fees under § 285 are "the closeness of the case, the tactics of counsel, the conduct of the  
22 parties, and any other factors that may contribute to a fair allocation of the burden of  
23 litigation as between winner and loser." See S.C. Johnson & Son, Inc. v. Carter-Wallace,  
24 Inc., 781 F.2d 198, 201 (Fed. Cir. 1986).

### 25 **DISCUSSION**

26 Marvell argues that it is entitled to fees, pursuant to 35 U.S.C. § 285, because  
27 Realtek knew or should have known, before the instant action was filed, that Marvell's  
28 products were prior art to the '608 patent, and because Realtek refused to provide answers

1 to interrogatories and deliberately prolonged discovery as to the relevant invention date of  
2 the '608 patent.

### 3 **A. Prevailing Party**

4 "Determination of the prevailing party is based on the relation of the litigation results  
5 to the overall objective of the litigation[.]" Brooks Furniture Mfg., Inc., v. Dutailier Int'l, Inc.,  
6 393 F.3d at 1381. Here, because Realtek's lawsuit against Marvell has been dismissed in  
7 its entirety, Marvell is the prevailing party.

### 8 **B. Frivolous Lawsuit**

9 Marvell argues it is entitled to an award of fees because Realtek should have known  
10 that its patent infringement claim was not meritorious before it filed its complaint, i.e., that  
11 Realtek filed a "frivolous" lawsuit. (See Mot. at 2:11-13); see also Haynes Int'l, Inc. v.  
12 Jessop Steel Co., 8 F.3d 1573, 1579 (Fed. Cir. 1994) ("A frivolous infringement suit is one  
13 which the patentee knew or, on reasonable investigation, should have known, was  
14 baseless.") As noted, "[a]bsent misconduct in conduct of the litigation or in securing the  
15 patent, sanctions may be imposed against the patentee only if both (1) the litigation is  
16 brought in subjective bad faith, and (2) the litigation is objectively baseless." Brooks, 393  
17 F.3d at 1381.

#### 18 **1. Subjective Bad Faith**

19 If "the patentee is manifestly unreasonable in assessing infringement, while  
20 continuing to assert infringement in court, an inference is proper of bad faith, whether  
21 grounded in or denominated wrongful intent, recklessness, or gross negligence." See  
22 Eltech Systems Corp. v. PPG Industries, Inc., 903 F.2d 805, 811 (Fed. Cir. 1990). "A party  
23 confronted with the difficulty of proving what is in an adversary's mind must be at liberty to  
24 prove facts establishing that that adversary should have known, i.e. to prove facts that  
25 render the 'I didn't know' excuse unacceptable." Id. at 810. This is not to suggest that a  
26 showing of simple negligence will suffice. As the Federal Circuit has observed, however,  
27 "studied ignorance" is not the same thing as simple negligence. See id.

28 In the instant case, although Realtek denies knowing that the '608 patent was invalid

1 at the time it filed suit, (see Opp. at 3), it has admitted to relying on the Chipworks report for  
2 its pre-suit investigation. (See Compton Decl. Ex. A at 4, 13.) The Chipworks report  
3 states, at the bottom of the first page of text: “All of the information in this report was  
4 derived by Chipworks from high magnification photographs and microscopy observations of  
5 the following sample: Marvell, 88E1000-RJJ Gigabit Ethernet Transceiver; 0040 date code;  
6 (M)©2000 MARVELL E1000 die markings.” (See Mernard Decl. Ex. F at RTL 000206.)  
7 Page nine of the report, titled “Device Summary Sheet,” under the sub-heading “Part  
8 Identification,” identifies the analyzed product as follows: “Manufacturer: Marvell  
9 Semiconductor, Inc.; Part Number: 88E1000-RJJ; Type: Gigabit Ethernet Transceiver; Die  
10 Markings: (M)©2000 MARVELL E1000; Date Code: 0040.”<sup>5</sup> (See id. at RTL 000214.)  
11 Nearly every page of the report following page nine repeats the “part identification”  
12 information, including “(M)©2000 MARVELL” and “Date Code 0040,” at the bottom right  
13 corner of the page. (See, e.g., id. at RTL 00216.) Also included is a photograph of the  
14 subject chip, showing the above-described die markings. (See id.)

15 Marvell argues that Realtek should have recognized that the 2000 mask work and  
16 copyright dates indicated that the chip in question had been manufactured in 2000. Marvell  
17 further argues that if Realtek had any doubts about the significance of the 2000 mask work  
18 and copyright dates, it should have contacted Chipworks to determine when the chip was  
19 purchased. Marvell submits evidence that, on December 6, 2000, Chipworks purchased an  
20 Intel network card containing the chip in question, and received it the following day,  
21 December 7, 2000. (See Menard Decl. ¶¶ 2-7.) Realtek provides no explanation as to why  
22 the 2000 mask work and copyright dates did not provide notice that the chip analyzed in the  
23 Chipworks report was manufactured and in use by the public in 2000.

24 Marvell further submits evidence that the “0040 date code” indicates the product was  
25 manufactured in the 40th week of the year 2000. (See Quan Decl. ¶ 2.) Realtek argues,  
26 without citation to any declaration or other evidence, that it could not have been expected  
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28 <sup>5</sup> The mark “(M)” represents a registered mask work.

1 to know the meaning of Marvell's date code. Assuming, arguendo, that Realtek did not  
2 know the meaning of Marvell's date code, Realtek, as noted, provides no explanation as to  
3 why the 2000 mask work and copyright dates did not put Realtek on notice that the chip in  
4 question was manufactured and in use by the public in 2000. Nor does Realtek explain  
5 why Realtek, having been apprised by Chipworks that the Marvell chip analyzed by  
6 Chipworks was stamped with a coded date of manufacture, failed to contact Chipworks to  
7 ascertain that date. Accordingly, the evidence is undisputed that Realtek had notice, prior  
8 to filing suit, that the chip analyzed in the Chipworks report was manufactured and in use  
9 by the public in 2000.

10 Marvell further argues, and Realtek does not dispute, that the earliest invention date  
11 Realtek could assert for the '608 patent is the filing date of the patent, January 2, 2001.  
12 Subject to exceptions not relevant here, an inventor may not establish a date of invention  
13 by reference to activities in any foreign country other than a NAFTA country or WTO  
14 member country. See 35 U.S.C. § 104(a). As noted, Realtek has stipulated that all  
15 inventive activity relating to the '608 patent occurred in Taiwan. (See Compton Decl. Ex.  
16 M.) Taiwan was not a NAFTA or WTO member country at the time the '608 patent was  
17 filed. (See Compton Decl. Exs. Y and Z.) Although Taiwan later joined the WTO, (see id.  
18 Ex. Z), the Patent and Trademark Office has stated that the effective date for proving  
19 inventive activity in a foreign country, pursuant to 35 U.S.C. § 104, is "the date the country  
20 becomes a member of the WTO." (See id. Ex. Y at 5.) Thus, Marvell correctly states that  
21 any inventive activity Realtek conducted in Taiwan prior to January 2, 2001, the date it filed  
22 the application for the '608 patent, is irrelevant under § 104 because Taiwan was not a  
23 WTO member at the time the patent application was filed. Realtek does not argue to the  
24 contrary.

25 In sum, Realtek knew or with a minimum of effort could have known the following  
26 facts well before it filed the instant lawsuit on October 7, 2004: (1) all of the inventive  
27 activity for the '608 patent occurred in Taiwan; (2) Taiwan was not a member of the WTO  
28 or a NAFTA country at the time the '608 patent was filed; (3) inventive activity taking place



1 in non-WTO or non-NAFTA member countries is irrelevant for purposes of establishing  
2 invention dates in the United States; (4) the Marvell product accused of infringement was  
3 copyrighted and made in 2000; and (5) the accused product was made and sold to the  
4 public prior to the date the '608 patent was filed.

5 Realtek argues that it acted in good faith, because as soon as Marvell revealed the  
6 meaning of the "0040" date code to Realtek, it voluntarily dismissed the lawsuit and  
7 executed a covenant not to sue Marvell. As noted, however, Realtek should have known,  
8 prior to filing suit, that it could not prevail on its lawsuit against Marvell. As Marvell  
9 accurately observed in the course of the parties' correspondence, Realtek initiated the  
10 instant litigation "without investigating the facts staring them in the face." (See Compton  
11 Decl. Ex. X at 3.) Moreover, Realtek does not explain why it continued to pursue the  
12 instant lawsuit after April 8, 2005, the date on which Marvell produced sales data showing  
13 numerous sales of the accused product during the year 2000, (see Compton Decl. ¶ 16 and  
14 Ex. O), or after April 28, 2005, the date on which Marvell served its preliminary invalidity  
15 contentions stating that the accused products had been reduced to practice in 2000, (see  
16 Compton Decl. ¶ 15 and Ex. N at 2.)

17 Realtek further argues that Marvell's failure to immediately assert the defense that  
18 Marvell's products are prior art to the '608 patent demonstrates the issue was not initially  
19 apparent to either party, and, thus, Realtek did not act in bad faith by filing the instant  
20 lawsuit. Marvell had no basis for raising the issue, however, until it learned that the  
21 inventive activity for the '608 patent took place in Taiwan. Realtek, on the other hand, was  
22 aware or should have been aware of where its own inventive activity took place prior to the  
23 filing of the instant action.<sup>6</sup>

24 A patent is invalid if "the invention was known or used by others in this country . . .  
25 before the invention thereof by the applicant for patent." See 35 U.S.C. § 102(a). Here,  
26 Realtek knew or should have known, before filing the instant lawsuit, that it had no chance

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28 <sup>6</sup> As noted, Realtek cannot seek to excuse its conduct by resort to "studied  
ignorance." See Eltech, 903 F.2d at 810.

of success on the merits of its infringement claim, because Marvell's allegedly infringing product was made and sold before the invention date of the '608 patent. As noted, if "the patentee is manifestly unreasonable in assessing infringement, while continuing to assert infringement in court, an inference is proper of bad faith, whether grounded in or denominated wrongful intent, recklessness, or gross negligence." See Eltech, 903 F.2d at 811.

Accordingly, the Court finds that Realtek acted in subjective bad faith by filing the instant action against Marvell.

## **2. Objectively Baseless Litigation**

A lawsuit is objectively baseless when "no reasonable litigant could realistically expect success on the merits." See Prof'l Real Estate Investors, Inc. v. Columbia Pictures Indus., Inc., 508 U.S. 49, 60 (1993). For the reasons set forth above, the instant litigation was objectively baseless, because no reasonable litigant could have expected to prevail on a claim of patent infringement when the allegedly infringing product constitutes invalidating prior art.

## **3. Summary**

For the reasons set forth in detail above, the Court finds the instant litigation (1) was brought in subjective bad faith and (2) the litigation was objectively baseless.

Accordingly, the Court finds the instant case is "exceptional" within the meaning of 35 U.S.C. § 285.

### **C. Litigation Misconduct**

Marvell further argues it is entitled to fees under § 285 because Realtek, in addition to filing and maintaining a frivolous lawsuit, engaged in litigation misconduct by ignoring its discovery obligations. In particular, Marvell argues that Realtek "dragg[ed] out discovery on the only issue needed to ripen the case for summary judgment; i.e., the invention date of Realtek's '608 patent." (See Motion at 2.)

The Federal Circuit has held that a case "may be deemed exceptional when there has been some material inappropriate conduct related to the matter in litigation. See

1 Brooks, 393 F.3d at 1381.

2 As noted, Realtek failed to provide a substantive response to Marvell's  
3 interrogatories directed to the circumstances surrounding the invention of the subject  
4 matter claimed in the '608 patent. (See Compton Decl. Ex. A at 5.) Marvel submits  
5 evidence that it repeatedly expressed its concerns to Realtek, beginning on April 27, 2005,  
6 about the sufficiency of Realtek's interrogatory responses. (See id. Exs. F-J.) When the  
7 parties met and conferred on June 16, 2005, Realtek's counsel told Marvell's counsel he  
8 was unaware of any activity related to the invention claimed in the '608 patent that took  
9 place outside of Taiwan, that he hoped to be able to confirm that fact within a week, and he  
10 anticipated that once he was able to obtain such confirmation, Realtek would so stipulate.  
11 (See DeBruine Decl. ¶ 8; see also Compton Decl. Ex. K.) Nevertheless, Realtek did not  
12 provide a stipulation to that effect until June 30, 2005, when ordered to do so by Magistrate  
13 Judge Spero.

14 Although Realtek has offered an explanation for the delay, the Court need not  
15 determine whether Realtek has provided adequate justification for such delay, because  
16 Realtek has provided no explanation for its initial refusal to provide a substantive response  
17 to Marvell's interrogatories. Moreover, once Marvell filed its Rule 11 and summary  
18 judgment motions, Realtek, despite its having been made aware of Marvell's invalidity  
19 defense and provided with all the relevant dates, demanded that additional depositions be  
20 scheduled, and then refused to cooperate in scheduling them. (See Compton Decl. Exs. P,  
21 W.) Realtek fails to provide any explanation for such discovery abuses.

22 Whether categorized as protracting a "frivolous lawsuit" or as "misconduct,"  
23 Realtek's failure to comply with its discovery obligations and its prolongation of discovery  
24 on a crucial issue in the case further supports a finding that the instant action presents an  
25 "exceptional case."

#### 26 **D. Discretion To Award Fees**

27 As previously noted, once a court determines a case to be exceptional within the  
28 meaning of § 285, the decision whether or not to award attorneys' fees is within the court's

discretion. See Brooks, 393 F.3d at 1382. Factors to be considered in determining whether to award attorneys' fees include "the closeness of the case, the tactics of counsel, the conduct of the parties, and any other factors that may contribute to a fair allocation of the burden of litigation as between winner and loser." See S.C. Johnson, 781 F.2d at 201.

Here, the case was never close. For the reasons set forth above, Realtek knew or clearly could have known prior to filing suit that it would not prevail. In addition, Realtek has not justified its failure to provide discovery on the key issue, specifically, the invention date of the '608 patent, or its decision to wait until the last moment to dismiss the case.<sup>7</sup>

"The purpose of Section 285 is to reimburse a party injured when forced to undergo an exceptional case." Mathis v. Spears, 857 F.2d 749, 753 (Fed. Cir. 1988) (internal quotation omitted). Here, Realtek wasted Marvell's time and resources by instituting and dragging out a case it should never have filed.

Accordingly, the Court finds that an award of fees against Realtek is appropriate. **E.**

#### **Amount of Attorneys' Fees**

The Federal Circuit has held that, in awarding fees under § 285, "courts should not be, and have not been, limited to ordinary reimbursement of only those amounts paid by the injured party for purely legal services of lawyers, or precluded from ordinary reimbursement of legitimate expenses defendant was unfairly forced to pay." See Mathis v. Spears, 857 F.2d at 754. Consequently, courts may determine "the compensatory quantum of the award, including the amount of attorney fees, what if any expenses shall be included, and the rate of prejudgment interest, if any, on the award." See id.

Here, Marvell seeks an award of attorneys' fees in the amount of \$541,215.50, plus litigation expenses (in addition to those set forth in its separately-filed bill of costs) in the

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<sup>7</sup> Rule 11 provides that a motion for sanctions made under that rule "shall not be filed with or presented to the court unless, within 21 days of the service of the motion . . . , the challenged paper, claim, defense, contention, allegation, or denial is not withdrawn or appropriately corrected." See Fed. R. Civ. P. 11(c)(1)(A). As noted, Marvell's motion for sanctions was served July 7, 2005, and Realtek waited until July 28, 2005, twenty-one days later, to provide Marvell with a covenant not to sue Marvell for infringement of the '608 patent and to ask Marvell to stipulate to dismissal of the action. (See Realtek's Opposition to Motion for Summary Judgment as Moot, filed July 29, 2005, at 1 and Ex. A.)

1 amount of \$35,830.72, for a total award of \$577,046.22 in fees and expenses incurred  
 2 through October 2005. (See Barkan Decl. ¶¶ 6, 9; Second Barkan Decl. ¶¶ 8, 10; Third  
 3 Barkan Decl. ¶¶ 6, 10.)<sup>8</sup> Marvell does not seek an award of prejudgment interest. Realtek  
 4 has not challenged the amount of fees and costs sought by Marvell, but rather relies  
 5 entirely on its argument that Marvell is not entitled to any award of fees and costs.

6 The Court has reviewed Marvell's statement of services, fees and costs and finds  
 7 that Marvell has adequately supported the amounts claimed. Marvell has included a  
 8 statement of services performed, a summary of the time spent, the hourly rates charged,  
 9 and biographical information for each person who worked on the case. (See Barkan Decl.  
 10 Exs. A-C; Second Barkan Decl. Exs. B and C; Third Barkan Decl. Ex. A.)

11 Marvell has brought to the Court's attention an agreement between Marvell and its  
 12 attorneys whereby it will receive a credit of \$27,821.68 in recognition of Marvell's providing  
 13 its attorneys with a certain volume of work, primarily on other matters, over a defined period  
 14 of time. (See Second Barkan Decl. at ¶ 12:16-20.) Because the purpose of § 285 is to  
 15 reimburse the injured party, see Mathis, 857 F.2d at 753, not to award more than the party  
 16 was required to pay, the Court will reduce the total award by the credited amount.

17 Accordingly, the Court will award Marvell a total of \$549,224.54 in fees and  
 18 expenses incurred through October 2005.

#### 19 **F. Additional Sanctions Under Court's Inherent Powers**

20 Finally, Marvell argues, the Court should invoke its inherent powers to further  
 21 sanction Realtek "in whatever amount the Court deems appropriate to deter [Realtek's]  
 22 abuse of the judicial process and the Court's resources." (See Motion at 16.)

23 Federal courts have the inherent power to "assess attorney's fees when a party has  
 24 acted in bad faith, vexatiously, wantonly, or for oppressive reasons." See Chambers v.  
 25 NASCO, Inc., 501 U.S. 32, 45-46 (1991) (internal quotation and citation omitted). When  
 26 there is bad-faith conduct in the course of litigation that could be adequately redressed

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 28 <sup>8</sup> In filing this last declaration after the filing of its reply, Marvell did not comply with  
 Civil Local Rule 7-3(d). The Court nonetheless has considered it.

1 under a statute or the Federal Rules of Civil Procedure, however, “the court ordinarily  
2 should rely on [that authority] rather than the inherent power.” See id. at 50.

3 Because the Court has adequately compensated Marvell by means of an award of  
4 fees and costs, pursuant to 35 U.S.C. § 285, it declines to invoke its inherent power to  
5 further sanction Realtek.


6 **CONCLUSION**

7 Accordingly, the Court hereby GRANTS Marvell’s motion for attorneys’ fees and  
8 expenses, in the total amount of \$549,224.54. This ruling is without prejudice to Marvell’s  
9 seeking additional costs pursuant to its pending bill of costs.

10 This order terminates Docket No. 65.

11 **IT IS SO ORDERED.**

12 Dated: November 18, 2005

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14 MAXINE M. CHESNEY  
15 United States District Judge  
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